

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT  
NASHVILLE, TENNESSEE**

**IN RE:**

**June 20, 2003**

**JOINT PETITION OF WORLDxCHANGE CORP. d/b/a  
ACCERIS COMMUNICATIONS PARTNERS OR  
ACCERIS COMMUNICATIONS SOLUTION AND LOCAL  
TELECOM HOLDINGS, LLC d/b/a TRANSPPOINT  
TELECOMMUNICATIONS FOR GRANT OF THE  
AUTHORITY NECESSARY FOR THE TRANSFER OF  
CONTROL, SALE OF ASSETS AND RELINQUISHMENT  
OF AUTHORIZATION**

**DOCKET NO.  
03-00269**

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**ORDER APPROVING JOINT PETITION**

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This matter came before Chairman Sara Kyle, Director Pat Miller, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on May 12, 2003, for consideration of the Joint Petition filed by WorldxChange Corp. d/b/a Acceris Communications Partners or Acceris Communications Solutions ("Acceris") and Local Telecom Holdings, LLC d/b/a Transpoint Telecommunications ("Transpoint" and collectively the "Petitioners" or "Parties") for approval of a transfer of control, sale of assets, and relinquishment of authorization.

**Statutory and Regulatory Framework**

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain TRA approval to transfer its authority to provide utility services (also known as a "certificate of public convenience and necessity" or "CCN"). Tenn. Code Ann. § 65-4-113(a) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) includes the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

When a customer base is transferred from one telecommunications service provider to another, TRA Rule 1220-4-2-.56(2)(d) requires the following procedure:

(d) In the case of a transfer of a customer base between two or more telecommunications service providers, the Authority, upon petition by the acquiring telecommunications service provider, may deem that sufficient notice has been given and approval received from the affected customers when the following criteria are met:

. . .

2. A notification letter, pre-approved by the Authority, shall be mailed by U.S. First Class Postage by the telecommunications service provider being acquired to its customers describing the customer transfer and explaining that the customers' local or long distance service will be transferred to the acquiring telecommunications service provider by a certain date unless the customer selects another telecommunications service provider. This customer notification shall be mailed to the customers no less than thirty (30) days prior to the actual customer transfer. The notification letter required by the FCC may be used for the notification purposes of this part. The Authority may waive the thirty (30) day notice requirement of this part for good cause shown.

3. The acquiring telecommunications service provider agrees to pay any fees charged to the customer associated with changing service to the acquiring telecommunications

service provider. The notification letter required in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.

4. The acquiring telecommunications service provider agrees to provide to the affected customers a thirty (30) day written notice of any rate increase that may affect their service up to ninety (90) days from the date of the transfer of customers. The notification letter mentioned in 1220-4- 2-.56(2)(d)(2) shall inform the customer of this provision.

### **The Joint Petition**

In the Joint Petition, which was filed on April 10, 2003, the Petitioners seek approval of the acquisition of the Tennessee assets and customer base of Transpoint by Acceris. Because Acceris received its own CCN to provide resold interexchange telecommunications services from the TRA on August 1, 2000 in Docket No. 00-00104, Acceris does not intend to operate under or retain Transpoint's CCN, which will be conveyed to Acceris through the transfer of assets and then terminated upon completion of the proposed transaction. Thus, the Parties are seeking approval of both the transfer and termination of Transpoint's CCN.

Transpoint received its Tennessee CCN on October 10, 2000 in Docket No. 00-00722 and has been providing resold interexchange services to residential and commercial customers in Tennessee. According to the Joint Petition, the Parties intend to make Transpoint a wholly-owned subsidiary of Acceris through a stock purchase arrangement and, thereafter, transfer all customers and other assets of Transpoint to Acceris. Transpoint will then relinquish its CCN and cease to operate in Tennessee. The transaction should be essentially seamless to Transpoint customers, resulting in no change in rates, terms, or conditions of service.

Pursuant to this proposed transaction, the Petitioners are also seeking approval of a customer notice letter concerning the transfer of customer base from Transpoint to Acceris. TRA Rule 1220-4-2-.56(2)(d) provides that, in case of a transfer of customer base from one telecommunications service providers to another, the TRA may deem that the provider whose customer base is being acquired has met the notification requirements of the TRA's anti-slamming rules by sending a letter to its affected customers notifying them of the change in provider. This rule requires TRA approval of the letter and, by implication, of the transfer of customer base. Transpoint's proposed customer notice letter will be sent jointly by both companies with the names of Transpoint and WorldxChange<sup>1</sup> included on the letterhead, and the transfer will occur following compliance with the thirty-day notice requirement.

#### **The May 12, 2003 Authority Conference**

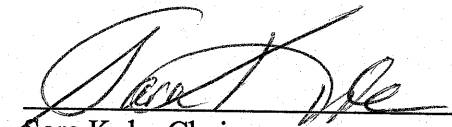

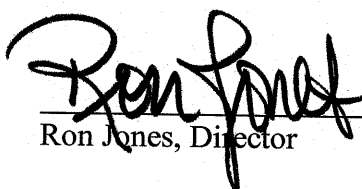
At the May 12, 2003 Authority Conference, the Directors voted unanimously to approve the Joint Petition with the following qualification: the customer notification letter should be modified in compliance with TRA Rule 1220-4-2-.56(2)(d)(4) to include a provision informing customers that a thirty-day notice of any rate increase occurring within 90 days following the transfer of the customer base will be provided. The Parties agreed to this modification for Tennessee customers.

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<sup>1</sup> WorldxChange's Petition to adopt Acceris as a d/b/a is pending in TRA Docket No. 03-00123. The Petition will not be considered for final approval until after the d/b/a is accepted by the Tennessee Secretary of State.

**IT IS THEREFORE ORDERED THAT:**

1. The transfer of customer base from Transpoint to Acceris is approved.
2. The customer notification letter with the specified modification is approved.
3. The transfer of Transpoint's CCN to Acceris is approved.
4. The termination or relinquishment of Transpoint's CCN upon completion of the transaction is approved.

  
Sara Kyle, Chairman  
Pat Miller, Director  
Ron Jones, Director